

**Rev and Tax - Tax Commission, State  
Management Services**

**Description:**

The General Services Division provides for department-wide support services, policy development, and computer services. Support services include accounting, purchasing, agency copy center, and forms design. Also included in this program is Human Resources and Public Information. Public Information handles public and media inquiries and coordinates Commission publications and news releases.

**Major Functions and Targeted Performance Standard(s) for Each Function:**

1. Improve the quality, quantity, and clarity of information the agency provides.

- A. Develop a process for reviewing and updating of brochures, educational material, forms, and other correspondence.

Actual Results			
1999	2000	2001	2002
100%	100%	100%	100%
Projected Results			
2003	2004	2005	2006
100%	100%	100%	100%

2. Improve customer education and outreach.

- A. Develop a centralized outreach program to coordinate agency education efforts for taxpayers and other stakeholders.

Actual Results			
1999	2000	2001	2002
90%	95%	100%	100%
Projected Results			
2003	2004	2005	2006
100%	100%	100%	100%

3. Increase the percentage of data exchanged, processed, and managed electronically.

- A. Expand electronic commerce capabilities such as electronic tax filing, electronic mail, electronic payment, information retrieval, and information exchange (EDI).

Actual Results			
1999	2000	2001	2002
45%	55%	65%	75%
Projected Results			
2003	2004	2005	2006
85%	95%	95%	95%

4. Provide a flexible and responsive information technology infrastructure.

- A. Update existing systems (CATS) and expand computer and network capability.

Actual Results			
1999	2000	2001	2002
-	5%	60%	80%
Projected Results			
2003	2004	2005	2006
90%	95%	100%	100%

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5. Provide optimal training for agency staff.

A. Develop an agency training program that meets the needs and enhances the skills of agency staff.

Actual Results			
1999	2000	2001	2002
95%	100%	100%	100%
Projected Results			
2003	2004	2005	2006
100%	100%	100%	100%

6. Develop innovative methods to reward staff for excellence or special accomplishments.

A. Use existing personnel committees to study reward system and make recommendations.

Actual Results			
1999	2000	2001	2002
75%	90%	100%	100%
Projected Results			
2003	2004	2005	2006
100%	100%	100%	100%

7. Ensure equity and uniformity of policies and implementation of statutes.

A. Better identify policy issues and ensure communication with staff.

Actual Results			
1999	2000	2001	2002
100%	100%	100%	100%
Projected Results			
2003	2004	2005	2006
100%	100%	100%	100%

**Program Results and Effect:**

The effect of the General Services program is the efficient use of resources to support the Tax Commission mission.

The Commission continues to propose changes to the legislature to enhance the tax code. To achieve compliance with the tax law, the law must be clear, concise, and perceived as fair. Thorough annual review of the tax code will enhance compliance with the law.

Support Services completed phase 1 of the implementation of a fully integrated accounting system in FY01. This phase integrated the budget, expenditure, purchasing, and revenue processing in one integrated commercial off-the-shelf product (Navision). Additional phases have now added fixed assets tracking and perpetual inventory control. A future phase is planned to add a human resources module.

Human Resources developed a supervisory training plan for the 2002 calendar year. Training topics include: Agency policies & procedures, personnel action requests, filling positions, disciplinary process, and the FMLA & donated leave program. Human resources developed and presented to all employees training on "change management" to help employees deal with the many changes created by the use of the new GenTax software. Over 12 managers and supervisors, from the central and field offices, are enrolled and participating in the Certified Public Manager's programs.

Information Technology, along with all other agency departments in FY 02 largely completed the project called CATS (Convert All Tax Systems), replaces our aging and functionally limited tax processing system. The new system, called GenTax, is a commercial, off-the-shelf (COTS) software created specifically for taxing authorities. Idaho is the first U.S. state to adopt this software, and the COTS approach to tax processing system modernization. Compared to the traditional "design build" model for tax system modernization, the COTS approach is saving millions of dollars and years of development and project time. The new system will dramatically improve the effectiveness and efficiency of the agency in tax administration and service delivery, and position the agency to accommodate the demands of "e-government" that we know will be placed upon us in the future. Even prior to completion, this project is serving as a model for other state revenue departments and other Idaho agencies. The agency has been visited by several other jurisdictions interested in learning about the COTS approach and the GenTax software, and we have been asked to make presentations at several national conferences.

Also in FY01, Information Technology completed a network operating system software migration from Novell to Microsoft NT and Windows 2000 Server. Agency desktop computers were upgraded from Windows 95 to Windows 2000, all to facilitate and provide a solid infrastructure for the new GenTax system. Hardware and software was installed to provide a VPN (Virtual Private Network) to allow traveling and work-at-home staff secure access to agency automated systems, and this capability became fully operational early in FY02. Agency electronic switching equipment was upgraded, server monitoring software was installed, and additional bandwidth (communications capacity) was acquired for our North Idaho field offices.

Public Information continued revising and enhancing the Tax Commission's Web site, which earned an Idaho Press Club award for general excellence. Major additions in FY02 included a feature that allows taxpayers to research the status of their refund, and an extensive section with information about Property Tax in Idaho.

For more information contact Mark Poppler at 334-7507.

## Rev and Tax - Tax Commission, State

### Audit and Collections

#### Description:

The Audit and Collections Division provides direct taxpayer service to the public from the administrative office in Boise as well as 5 field office locations; collects delinquent taxes and conducts audits on virtually all tax types administered by the agency, by authority of Idaho Code and the Multi-State Tax Compact; conducts discovery and enforcement efforts directed at no filers; administers Idaho Unclaimed Property statutes.

#### Major Functions and Targeted Performance Standard(s) for Each Function:

1. Expand and improve the services the agency provides.

A. Develop a customer information survey.

Actual Results			
1999	2000	2001	2002
100%	100%	100%	100%
Projected Results			
2003	2004	2005	2006
100%	0	0	0

2. Improve customer education and outreach.

A. Improve taxpayer access to state and federal tax assistance and other government agency registration requirements.

Actual Results			
1999	2000	2001	2002
100%	100%	100%	100%
Projected Results			
2003	2004	2005	2006
100%	100%	100%	100%

3. Improve communication and coordination and foster partnerships with agency stakeholders.

A. Take a leadership role in interagency projects that improve dissemination of information to stakeholders or simplify taxpayer registration requirements.

Actual Results			
1999	2000	2001	2002
100%	100%	100%	100%
Projected Results			
2003	2004	2005	2006
100%	100%	100%	100%

4. Implement educational audit/compliance reviews.

A. Establish a statewide managed/self-audit program.

Actual Results			
1999	2000	2001	2002
100%	100%	100%	100%
Projected Results			
2003	2004	2005	2006
100%	100%	100%	100%

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**Audit and Collections**

5. Increase timeliness, consistency, and scope of our enforcement efforts.

A. Implement procedures and processes that encourage individuals to get back into and remain in compliance.

Actual Results			
1999	2000	2001	2002
100%	100%	100%	100%
Projected Results			
2003	2004	2005	2006
100%	100%	100%	100%

6. Improve audit, enforcement, and investigation processes.

A. Increase use of technology to improve enforcement efforts.

Actual Results			
1999	2000	2001	2002
100%	100%	100%	100%
Projected Results			
2003	2004	2005	2006
100%	100%	100%	100%

B. Use a post-audit survey to obtain taxpayer feedback to improve audit effectiveness.

Actual Results			
1999	2000	2001	2002
100%	100%	100%	100%
Projected Results			
2003	2004	2005	2006
100%	100%	100%	100%

C. Increase nonresident enforcement through audit/nexus investigations.

Actual Results			
1999	2000	2001	2002
100%	100%	100%	100%
Projected Results			
2003	2004	2005	2006
100%	100%	100%	100%

## **Rev and Tax - Tax Commission, State Audit and Collections**

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### **Program Results and Effect:**

In FY02, the Audit and Collections Division fully implemented the database migration under our project called CATS (for Convert All Tax Systems). The new Gen Tax software upgraded numerous business processes, allowed us to install a relational database, and retire our twenty plus year old mainframe computer.

The Agency's Education and Outreach committee and spearheaded by our Taxpayer Service (TPS) bureau saw the number of presentations decrease slightly to 119 over last year. Direct emails with taxpayers increased 15%.

We continue to provide updated brochures and taxpayer information on our website. New services on the site include expanded information and filing options for Unclaimed Property holders and owners and the addition of online filing for International Fuels Tax Agreement returns. Initial response has been very favorable.

The number of managed audit interns was reduced because of budget holdbacks or because interns were relocated to other enforcement areas. In spite of these challenges, the number of managed audits and intern audits completed increased slightly to 387. Because of the increased audit coverage and cost effectiveness of interns, we are looking to rejuvenate this program in future years, funding permitting.

The Division provided taxpayer assistance, promoted voluntary compliance and increased use of technology by:

Implementing online filing of the state's 40EZ form for less complex returns, resulting in 9,000 electronic returns.

Creating a web site button for use by taxpayers to determine the status of refunds as part of our existing interactive Voice Response (IVR) system.

Manning area Post Offices during the final days of the tax season.

Continuing participation and support for the Taxpayer Counseling for the Elderly (TCE) program, with some support from the Internal Revenue Service, helping elderly and low-income taxpayers statewide.

Introducing a password protected internet interface for Bankruptcy trustees to pass sensitive taxpayer information.

The Gen Tax system also automated many of the manual functions of Unclaimed Property such as mailing notices, receipting of returns, and reducing the number of holders to 50,000 (from 60,000) by eliminating duplicate addresses and names. Significant progress has been achieved in processing holder reports and bringing existing state reciprocity agreements current.

Conversion to Gen Tax was completed during FY02. Statewide holdbacks and the continuing austere budget environment have had a limiting effect in final and needed software improvements for the Division.

For more information contact Mark Poppler at 334-7507.

**Rev and Tax - Tax Commission, State**  
**Revenue Operations**

**Description:**

The Revenue Operations Division provides citizens with opportunities to voluntarily file returns, pay on time, and receive prompt refunds. Services include: postal services providing mailing services for the entire agency, receipting of tax documents and payments, account registration and maintenance, records management, and other tax revenue related services.

**Major Functions and Targeted Performance Standard(s) for Each Function:**

1. Increase the percentage of data exchanged, processed, and managed electronically.

A. Expand electronic data capture, storage, and retrieval technologies.

Actual Results			
1999	2000	2001	2002
45%	55%	65%	75%
Projected Results			
2003	2004	2005	2006
78%	82%	87%	92%

B. Expand telecommunications alternatives for paper tax filings.

Actual Results			
1999	2000	2001	2002
100%	100%	100%	100%
Projected Results			
2003	2004	2005	2006
100%	100%	100%	100%

## **Rev and Tax - Tax Commission, State**

### **Revenue Operations**

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#### **Program Results and Effect:**

The commission successfully implemented 2 individual income tax electronic filing services for taxpayers. One service is in cooperation with the Federal E-File program and the other is an Internet based service for the filing of the simplest Idaho return (Form 40EZ). Last year these two systems combined to support the filing of 156,400 returns or 28% of all individual income tax returns filed (an 18% increase over the previous year).

The commission supports the electronic filing of Sales and Withholding taxes via touchtone telephone. This system has grown considerably in recent months and now supports about 1,500 filers of those returns. The system also supports payment of taxes through electronic funds transfer or credit card.

Our State Tax Electronic Pay System (STEPS) program, using electronic funds transfer or credit cards to pay taxes, resulted in approximately \$1.0 billion dollars being received electronically. This represents nearly 43.1% of the gross revenue from all taxes. Taxpayers were given the additional ability to use the Internet to pay via Credit Cards during the last year.

The commission successfully implemented a new remittance processing system that includes the imaging of all incoming coupon sized paper tax returns, all paper checks and payment documents. Since the system was implemented on September 17, 2001, we have processed 2.2 million documents. Each document is imaged and integrated with our tax processing system which allows the viewing of the data as well as the source documents on-line by all authorized users of that system.

The commission also implemented an Internet based system to allow filers of International Fuels Tax Agreement (IFTA) returns to both file and pay these taxes on-line. In the first full quarter of use, the system supported the filing of 11% of the total IFTA returns filed. This is particularly useful because the complexity of these filing produces many erroneous returns. Those that are filed via the Internet are virtually error free and therefore reduce costs accordingly.

The commission has successfully implemented a system that allows Fuel Distributors to file their monthly tax returns using either software developed by the Tax Commission (IdaFuel) or via Electronic Data Interchange (EDI). A revised, easier to use and support version of this software is scheduled for release over the next few months. This will support our goal of achieving electronic capture of 75% of the data for this tax type. We are currently receiving 60% of the data electronically.

Plans call for the implementation of Internet based filing for other tax types. If funds are available, Sales Tax and Withholding Tax filing will be added to the Internet in the coming year. Expansion of imaging of incoming non-coupon size documents has been put on hold until funds are available. Right now all activity in the imaging arena are not funded until after FY04.

For more information contact Mark Poppler at 334-7507.



**Description:**

County Support provides oversight and technical support in the administration of the property tax system, working to ensure fair, equitable and accurate property taxation. Services include education in property tax assessment administration and appraisal, property appraisal research, forest land and forest products' appraisal, day-to-day support to county elected officials, ratio study review and recommendations, operating property appraisal, and budget and levy review and approval.

**Major Functions and Targeted Performance Standard(s) for Each Function:**

1. Expand and improve the services the agency provides.

A. Consult with the Assessor's Education Committee, the Examination Committee, and the Idaho Association of Assessment Personnel to develop and provide education, training, and certification programs that meet county and state needs.

Actual Results			
1999	2000	2001	2002
100%	100%	100%	100%
Projected Results			
2003	2004	2005	2006
100%	100%	100%	100%

2. Provide a flexible and responsive information technology structure.

A. Expand the Geographical information System.

Actual Results			
1999	2000	2001	2002
56%	66%	75%	85%
Projected Results			
2003	2004	2005	2006
95%	99%	99%	99%

**Program Results and Effect:**

The primary goal of the Division is to ensure that all property owners receive equal application of the Idaho property tax laws and that these laws are administered as efficiently and effectively as possible.

The County Support Division in FY02 continued to monitor the administration of property tax law in Idaho to ensure that the property tax burden of all taxpayers is fair and equitable. We conduct an annual ratio study to ensure that each jurisdiction is estimating property values at the current market level so that all taxpayers bear an equitable burden under the law. The Division appraised operating properties and utilities that may be located in multiple jurisdictions (Centrally Assessed Properties).

The Division continues to provide quality training for the counties with annual summer and winter schools. During FY02, the education program continued to provide several more regional offerings for the counties. Additional appraisal seminars and workshops were presented for the benefit of assessors and their staff by the Division's consulting appraiser team. Participation in educational activities exceeded 1,100 enrolled students in FY02.

Expansion of the Geographical Information System continues. Through 2001, the division had helped 32 counties in their computer mapping programs. At the end of FY02, the number of counties currently being assisted is 34.

For more information contact Mark Poppler at 334-7507.